

**U.S. DEPARTMENT OF STATE  
Office of the Spokesperson**

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**For Immediate Release**

**October 11, 2005**

**Statement by Adam Ereli, Deputy Spokesman**

**NICARAGUA: PASSAGE OF CAFTA-DR AND RECENT  
DEVELOPMENTS**

The United States is encouraged by the Nicaraguan General Assembly's decision to join with the U.S., the Dominican Republic, and three other Central American countries in ratifying the Central America Free Trade Agreement (CAFTA-DR). CAFTA-DR is Nicaragua's best opportunity to derive the benefits of trade and investment that will increase employment and bring prosperity to the Nicaraguan people.

Political developments which have transpired since Deputy Secretary of State Robert B. Zoellick visited Nicaragua last week are steps in the right direction. We welcome the October 10 announcement by President Enrique Bolaños of an agreement, facilitated by the Organization of American States (OAS), that supports completion of his constitutionally mandated term and suspends January's constitutional amendments which erode the Presidency and threaten the balance of power.

The United States has worked with the OAS and the broader international community to encourage a resolution of the political crisis that would ensure democratic governance. While we are encouraged by the steps taken this past weekend, we will continue to monitor developments carefully.

During his October 4-5 visit to Managua, Deputy Secretary Zoellick described the corrupt pact between Arnaldo Aleman and Daniel Ortega as a "creeping coup" undermining Nicaraguan democracy. U.S. assistance will continue to be predicated on maintaining democratic order and good governance. Any subsequent post-agreement steps to further weaken or remove the constitutionally elected president will result in loss of opportunities for Nicaragua, including Millennium Challenge Account funding and participation in CAFTA-DR.